

ORDINANCE OF THE WARRICK COUNTY COUNCIL AUTHORIZING THE ISSUANCE OF NOTES FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED TO THE COSTS THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF CERTAIN SANITARY SEWER IMPROVEMENTS IN THE STONEHAVEN SUBDIVISION AREA IN THE COUNTY AND INCIDENTAL EXPENSES IN CONNECTION THEREWITH AND ON ACCOUNT OF THE ISSUANCE OF THE NOTES

WHEREAS, the Board of Commissioners (the "Commissioners") of the County of Warrick, Indiana (the "County"), as the County executive, entered into an Agreed Order, dated June 7, 2004 (the "Agreed Order") with the Indiana Department of Environmental Management ("IDEM") in conjunction with certain violations of Indiana Code 13-30, *et seq.*, Indiana Code 13-18, *et seq.*, and IDEM regulations that were revealed following an investigation by IDEM of the septic tank systems in the Stonehaven subdivision area of the County; and

WHEREAS, pursuant to the terms of the Agreed Order, the County is required to take such actions as necessary to remediate the violations cited in the Agreed Order; and

WHEREAS, the County Council of Warrick County, Indiana (the "Council"), has considered the issuance of notes for the purpose of paying the costs of (i) the acquisition, construction, and equipping of certain sanitary sewer improvements to serve the Stonehaven subdivision area in the County, which is necessary in order for the County to fulfill certain of its governmental functions and responsibilities to the taxpayers and residents of the County, as described in the Agreed Order attached hereto as Exhibit A (collectively, the "Project"), and (ii) related and incidental expenses to be incurred in connection therewith and on account of the issuance of the notes; and

WHEREAS, it would be of public utility and benefit and in the best interests of the County and its citizens to pay the costs of the Project and incidental expenses in connection therewith and on account of the issuance of notes therefor, such notes to be issued as negotiable notes of the County; and

WHEREAS, the Project will promote significant opportunities for gainful employment of citizens of the County, and consequently constitutes an "economic development project" as defined in Indiana Code § 6-3.5-7-13.1; and

WHEREAS, the Council deems it advisable to issue the notes authorized by this Ordinance as the "Warrick County, Indiana Economic Development Income Tax Revenue Notes, Series 2008" (the "2008 Notes") in one or more series in an original aggregate principal amount not to exceed Two Million Twenty-Five Thousand Dollars (\$2,025,000) (the "Authorized Amount") for the purpose of providing for the payment or reimbursement of all or any portion of the costs of the Project, including any preliminary expenses related thereto and all incidental expenses incurred in connection therewith, and the costs of selling and issuing the 2008 Notes; and

WHEREAS, the original principal amount of the 2008 Notes, together with the outstanding principal amount of previously issued notes or bonds which constitute a debt of the County, on the date of issuance of the 2008 Notes will be no more two percent (2%) of one-third (1/3) of the total net assessed valuation of the County; and

WHEREAS, the amount of proceeds of the 2008 Notes allocated to pay costs of the Project, together with estimated investment earnings thereon, does not exceed the cost of the Project as estimated by the Council; and

WHEREAS, a notice of a public hearing on the appropriation of the proceeds of the 2008 Notes has been duly given by publication as required by law, and the hearing on such appropriation has been held, at which all taxpayers of the County had an opportunity to appear and express their views as to such appropriation; and

WHEREAS, the Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the 2008 Notes have been complied with in accordance with Indiana Code § 6-3.5-7-14, and other applicable provisions of the Indiana Code (collectively, the "Act").

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA AS FOLLOWS:

SECTION 1. Authorization for Notes and Appropriation of Proceeds. In order to provide financing for the Project and incidental expenses in connection therewith and on account of the issuance of the 2008 Notes, pursuant to the Act the County shall borrow money and issue the 2008 Notes as herein authorized. An appropriation in the amount not to exceed the Authorized Amount, together with all investment earnings thereon, shall be made to pay for the governmental purposes to be financed by the 2008 Notes, and the funds to meet said appropriation shall be provided out of the proceeds of the 2008 Notes, in the original principal amount not to exceed the Authorized Amount, together with all investment earnings thereon. Said appropriation shall be in addition to all other appropriations provided for in the existing budget and tax levy.

SECTION 2. General Terms of Notes. In order to procure said loan for such purposes, the Auditor is hereby authorized and directed to have prepared and to issue and sell negotiable notes of the County, in one or more series, in an aggregate principal amount not to exceed the Authorized Amount, to be designated "Warrick County, Indiana Economic Development Income Tax Revenue Notes, Series 2008" for the purpose of providing financing for the Project and incidental expenses, such expenses to include without limitation all expenses of every kind incurred preliminarily to the funding of the Project, and costs of issuing the 2008 Notes. Such 2008 Notes shall be signed in the name of the County by the manual or facsimile signatures of a majority of the Commissioners and attested by the manual or facsimile signature of the Auditor of the County (the "Auditor"), who shall affix the seal of the County to each of the 2008 Notes manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears on the 2008 Notes shall cease to be such officer before the delivery of the 2008 Notes, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof.

The 2008 Notes shall also be authenticated by the manual signature of the Registrar (as hereafter defined). Subject to the provisions of this Ordinance regarding the registration of the 2008 Notes, the 2008 Notes shall be fully negotiable instruments under the laws of the State of Indiana.

The 2008 Notes are, as to all the principal thereof and interest due thereon, special revenue obligations of the County, payable, solely from the County's distributive share of the county economic development income tax revenues, levied and collected pursuant to IC 6-3.5-7-1, *et seq.*, (the "Revenues"). The Council hereby pledges the Revenues to the 2008 Notes pursuant to Indiana Code § 6-3.5-7-14, and this pledge shall be binding from the time this Ordinance is adopted; provided, however, the pledge of the Revenues to repayment of principal of and interest on the 2008 Notes shall be junior and subordinate in all respects to the County's pledge of the Revenues to a portion of the lease rental payments due by the County under the Lease, dated as of September 18, 1995, between the Warrick County Judicial Center Building Corporation, as lessor, and the County, as lessee, as previously amended (the "1995 Lease"), which pledge of the Revenues to the lease rental payments under the 1995 Lease is expressly limited to Two Hundred Fourteen Thousand Dollars (\$214,000) per year. The Revenues received by the County are immediately subject to the lien of this pledge without any further act. The County shall not be obligated to pay the principal of, the premium, if any, or the interest on the 2008 Notes, except from the Revenues deposited into the Sinking Fund as defined below.

The 2008 Notes shall be issued in any denomination, shall be numbered consecutively from R-1 upward, shall be originally dated as of the first day of the month in which the 2008 Notes are sold or the date of issuance as determined by the Auditor at the time of sale. The 2008 Notes shall bear interest payable semi-annually on June 15 and December 15 of each year, beginning on the June 15 or December 15 determined by the Auditor at the time of sale, at a rate or rates not exceeding six percent (6.0%) per annum (the exact rate or rates to be determined by negotiation pursuant to Section 6 of this Ordinance). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2008 Notes shall mature serially on June 15 and December 15 as finally determined by the Commissioners and the Auditor as evidenced by delivery of the executed initial issue of the 2008 Notes to the Registrar for authentication, provided that the original aggregate principal amount of all series of the 2008 Notes does not exceed the Authorized Amount, that the first maturity shall be no earlier than December 15, 2008, and that the final maturity shall be no later than December 15, 2014.

The 2008 Notes may be issued as draw notes, as determined by the Commissioners and the Auditor on the date of the issuance of the 2008 Notes.

All payments of interest on the 2008 Notes shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof as of the first (1st) day of the month in which interest is payable at the addresses as they appear on the registration books kept by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent (as hereafter defined) in writing by such registered owner. All principal payments on the 2008 Notes shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent, in any coin or currency of the United States of America which on the date of such payment shall be legal tender for the payment of public and private debts.

Interest on 2008 Notes shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof, unless such 2008 Notes are authenticated after the first (1st) day of the month in which interest is payable and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the first (1st) day of the month of the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

Each 2008 Note shall be transferable or exchangeable only upon the books of the County kept for that purpose by the Registrar, by the registered owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such 2008 Note together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new fully registered 2008 Note or Notes in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the County, except for any tax or governmental charge required to be paid in connection therewith, which shall be payable by the person requesting such transfer or exchange. The County, the Registrar and the Paying Agent may treat and consider the persons in whose names such 2008 Notes are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any 2008 Note is mutilated, lost, stolen or destroyed, the County may execute and the Registrar may authenticate a new note of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new note shall be marked in a manner to distinguish it from the note for which it was issued, provided that, in the case of any mutilated note, such mutilated note shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed note there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to them. In the event any such note shall have matured, instead of issuing a duplicate note, the County and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The County and the Registrar may charge the owner of such 2008 Note with their reasonable fees and expenses in this connection. Any note issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the County, whether or not the lost, stolen or destroyed 2008 Note shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 2008 Notes issued hereunder.

SECTION 3. Terms of Redemption. The Commissioners and the Auditor may designate maturities of the 2008 Notes (or a portion thereof) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Commissioners and the Auditor are hereby authorized and directed to determine the terms governing any such redemption, including the terms of any related notice. Interest on the 2008 Notes so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 2008 Notes shall no longer be protected by this ordinance and

All 2008 Notes which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered notes shall be issued for the unredeemed portion of any 2008 Note without charge to the holder thereof. No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the 2008 Notes or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made upon any 2008 Note or portion thereof called for redemption until such 2008 Note shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Ordinance with respect to any mutilated, lost, stolen or destroyed 2008 Note.

The Registrar and the Paying Agent may at any time resign as Registrar and Paying Agent by giving 30-days' written notice to the County Auditor and to each registered owner of the 2008 Notes then outstanding, and such resignation will take effect at the end of such 30 days or upon the earlier appointment of a successor Registrar and Paying Agent by the County. Such notice to the County Auditor may be served personally or be sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as the Registrar and the Paying Agent by the County, in which event the County may appoint a successor Registrar and Paying Agent. The County shall notify each registered owner of the Notes then outstanding of the removal of the Registrar and the Paying Agent. Notices to registered owners of the Notes shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the Notes, cash and investments in its possession and the Registration Record to the successor Registrar and Paying Agent. At all times, the same entity shall serve as the Registrar and the Paying Agent.

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UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF WARRICK

THE BOARD OF COMMISSIONERS OF
THE COUNTY OF WARRICK, INDIANA

WARRICK COUNTY, INDIANA ECONOMIC DEVELOPMENT
INCOME TAX REVENUE NOTE, SERIES 2008

Interest Rate	Maturity Date	Original Date	Authentication Date
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REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS (\$ _____)

The County of Warrick, Indiana (the "County"), acting through its Board of Commissioners, for value received, hereby promises to pay to the Registered Owner set forth above, solely from the special revenue fund hereinafter referred to, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding, as shown on Exhibit A hereto and as evidenced by the execution of the form of Request and Receipt for Advance attached hereto as Exhibit B] [on the Maturity Date set forth above] [on June 15 and December 15 of each year beginning _____, each in the amount of the lesser of: (i) the outstanding principal amount of the notes, or (ii) _____ of the total Principal Sum advanced] (unless this note is subject to and is called for redemption prior to maturity as hereafter provided), and to pay interest thereon until the Principal Sum shall be fully paid, [at the Interest Rate per annum specified above] from the interest payment date to which interest has been paid next preceding the Authentication Date of this note unless this note is authenticated after the first day of the month in which interest is payable and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this note is authenticated on or before _____, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on each June 15 and December 15 of each year, beginning on _____. Interest shall be calculated [from the date of the initial advance as shown on Exhibit A] on the basis of a 360-day year comprised of twelve 30-day months.

The principal of this note is payable at _____ (the "Registrar" or "Paying Agent"), in _____, Indiana. All payments of interest on this note shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof as of the first day of the month in which interest is payable at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the Registered Owner. All payments of principal of and premium, if any, on this note shall be made upon surrender thereof at the principal corporate

trust office of the Paying Agent in any coin or currency of the United States of America which on the dates of such payment shall be legal tender for the payment of public and private debts.

This note is one of an authorized issue of negotiable special revenue notes of the County, of like original date, tenor and effect, except as to denomination, numbering, interest rates, and dates of maturity, in the total amount of _____ Dollars (\$ _____), numbered consecutively from 1 upward, issued for the purpose of providing funds to pay for costs of acquiring certain real estate and the costs of the issuance of notes therefor, as authorized by Ordinance No. _____ adopted by the County Council of the County on the 4th day of September, 2008, entitled "ORDINANCE OF THE WARRICK COUNTY COUNCIL AUTHORIZING THE ISSUANCE OF NOTES FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED TO THE COSTS THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF CERTAIN SANITARY SEWER IMPROVEMENTS IN THE STONEHAVEN SUBDIVISION AREA IN THE COUNTY AND INCIDENTAL EXPENSES IN CONNECTION THEREWITH AND ON ACCOUNT OF THE ISSUANCE OF THE NOTES" (the "Ordinance"), and in accordance with Indiana Code § 6-3.5-7-14 and other applicable provisions of the Indiana Code, as amended (collectively, the "Act"). The owner of this note, by the acceptance hereof, agrees to all the terms and provisions contained in the Ordinance and the Act.

The County irrevocably pledges its distributive share of the county economic development income tax revenues levied and collected in the County pursuant to Indiana Code § 6-3.5-7-1, *et seq.* (the "Revenues") deposited into the Sinking Fund referred to in the Ordinance, to the extent necessary for that purpose, to the prompt payment of principal of and interest on the notes authorized by the Ordinance, of which this note is one, and any notes hereafter issued on a parity therewith; provided, however, the pledge of the Revenues to repayment of principal of and interest on the this note shall be junior and subordinate in all respects to the County's pledge of the Revenues to a portion of the lease rental payments due by the County under the Lease, dated as of September 18, 1995, between the Warrick County Judicial Center Building Corporation, as lessor, and the County, as lessee, as previously amended (the "1995 Lease"), which pledge of the Revenues to the lease rental payments under the 1995 Lease is expressly limited to Two Hundred Fourteen Thousand Dollars (\$214,000) per year.

PURSUANT TO THE PROVISIONS OF THE ACT AND THE ORDINANCE, THE PRINCIPAL OF THIS NOTE AND ALL OTHER NOTES OF SAID ISSUE, THE INTEREST DUE THEREON AND THE PREMIUM, IF ANY, ARE PAYABLE SOLELY FROM THE SINKING FUND REFERRED TO IN THE ORDINANCE TO BE PROVIDED FROM THE REVENUES. THE COUNTY SHALL NOT BE OBLIGATED TO PAY PRINCIPAL ON THIS NOTE, THE INTEREST HEREON, OR PREMIUM, IF ANY, EXCEPT FROM THE SINKING FUND.

[Insert Redemption Terms]

This note is subject to defeasance prior to payment as provided in the Ordinance.

If this note shall not be presented for payment on the date fixed therefor, the County may deposit in trust with the Paying Agent or another paying agent, an amount sufficient to pay such note, and thereafter the Registered Owner shall look only to the funds so deposited in trust for payment and the County shall have no further obligation or liability in respect thereto.

This note is transferable or exchangeable only upon the books of the County kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this note together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered note or notes in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. The County, any registrar and any paying agent for this note may treat and consider the person in whose name this note is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The notes maturing in any one year are issuable in any denomination.

[This Note has been designated [or deemed designated] as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this note have been done and performed in regular and due form as provided by law.

This note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Board of Commissioners of the County of Warrick, Indiana, has caused this note to be executed in its corporate name by the manual or facsimile signatures of its duly elected, qualified and acting Commissioners, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by the Auditor of Warrick County.

THE BOARD OF COMMISSIONERS

OF THE COUNTY OF WARRICK,
INDIANA

By: _____
Commissioner

By: _____
Commissioner

By: _____
Commissioner

(SEAL)

ATTEST:

Auditor

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this note is one of the notes described in the within-mentioned Ordinance, and has been duly authenticated by the Registrar.

[_____] ,as Registrar

By: _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS
MIN ACT

(Cust) Custodian _____
(Minor)

under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used, although not contained in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name, address and social security or other tax identification number of the assignee and insert number for the first named transferee if held by joint account)
this Note and all rights thereunder and hereby irrevocably constitutes and appoints _____ as attorney to transfer this Note on the Registration Record with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

REGISTERED OWNER:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined in SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Note in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

[EXHIBIT A

SCHEDULE OF OUTSTANDING BALANCE OF WARRICK COUNTY, INDIANA, ECONOMIC DEVELOPMENT INCOME TAX REVENUE NOTES, SERIES 2008

<u>Date</u>	<u>Amount of Advance</u>	<u>Amount of Payment</u>	<u>Outstanding Balance</u>	<u>Acknowledgment of Redevelopment Commission</u>	<u>Acknowledgment of Noteholder</u>
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EXHIBIT B

REQUEST AND RECEIPT FOR ADVANCE

On behalf of Warrick County, Indiana (the "County"), the undersigned President of the Board of Commissioners of the County, hereby requests and acknowledges the receipt of an advance under the Warrick County, Indiana, Economic Development Income Tax Revenue Notes, Series 2008, dated _____, 2008, and issued in the principal amount of \$ _____ (the "Notes"). The amount of such advance is _____ Dollars (\$_____).

BOARD OF COMMISSIONERS OF WARRICK
COUNTY, INDIANA

Date: _____

President

ATTEST:

Auditor

ACKNOWLEDGMENT OF ADVANCE

The undersigned Registered Owner of the above-described Notes hereby acknowledges the payment on the date hereof, to Warrick County, Indiana, of an advance under the Notes in the amount of _____ Dollars (\$_____).

Date: _____

[_____]

By: _____

Printed: _____

Title: _____]

(End of Form of Notes)

SECTION 6. Sale of Notes. The Board of Commissioners and Auditor shall negotiate the sale of the 2008 Notes on such terms as they deem desirable as evidenced by their execution

and delivery of the 2008 Notes; provided all such terms shall comply with the terms of this Ordinance. After the 2008 Notes have been properly sold and executed, the County Treasurer shall receive from the purchaser or purchasers thereof payment for the 2008 Notes and shall provide for delivery of the 2008 Notes to the purchaser or purchasers. The Auditor is hereby authorized and directed to obtain legal opinion as to the validity of the 2008 Notes from Barnes & Thornburg LLP, and to furnish such opinion to the purchaser or purchasers of the 2008 Notes. The cost of such opinion shall be paid out of the proceeds of the 2008 Notes.

SECTION 7. Funds and Accounts.

(a) Sinking Fund. The Revenues shall be used and applied by the County only as provided in this Ordinance. All such revenues shall be segregated and kept in special accounts separate and apart from all other funds of the County and shall be used and applied as set forth in this Ordinance. There is hereby created and established a fund known as the "Warrick County 2008 Economic Development Income Tax Revenue Note Sinking Fund" (the "Sinking Fund"). As Revenues are received, the County shall set apart and pay all of the Revenues into the Sinking Fund to be used to pay: (i) a portion of the annual lease rental payment payable by the County under the 1995 Lease in the aggregate amount of Two Hundred Fourteen Thousand Dollars (\$214,000) per year; and (ii) the interest on and the principal of the 2008 Notes and any Parity Obligations; *provided, however,* that no deposit shall be made into such account whenever the balance therein is sufficient to pay: (i) a portion of the annual lease rental payment payable by the County under the 1995 Lease in the aggregate amount of Two Hundred Fourteen Thousand Dollars (\$214,000) per year; and (ii) the interest and principal payments on the 2008 Notes and any Parity Obligations coming due in the succeeding twelve (12) months. The pledge of Revenues to the payment of the principal of and interest on the 2008 Notes and any Parity Obligations shall be junior and subordinate to the pledge of the Revenues to the payment of a portion of the lease rental payments payable by the County under the 1995 Lease. Consequently, funds on deposit in the Sinking Fund may withdrawn to pay the principal of and interest on the 2008 Notes and any Parity Obligations only in such an amount that the balance of Revenues on deposit in the Sinking Fund remaining after such withdrawal is an amount sufficient to pay the portion of the lease rental payments payable from the Revenues in the succeeding six (6) months.

(b) Excess Fund. There is hereby created and established a fund known as the "Warrick County 2008 Economic Development Income Tax Revenue Excess Fund" (the "Excess Fund"). The Revenues remaining after making the required deposits to the Sinking Fund, as described above, shall be deemed excess funds and shall be deposited in the Excess Fund for appropriation and use as permitted by law. In the event of any deficiency at any time in the Sinking Fund, funds may withdrawn from the Excess Fund and deposited into the Sinking Fund in the amount of such deficiency.

(c) Separate Funds and Accounts. All funds in said accounts shall be segregated and kept separate and apart from all other funds of the County and shall be deposited in lawful depositories of the County and continuously held and secured or invested as provided by law. Interest earned in each such account shall be credited to such account.

SECTION 8. Use of Note Proceeds. The proceeds received from the sale of the 2008 Notes shall be deposited in the "Warrick County, Indiana, 2008 Economic Development Income Tax Revenue Project Fund" (the "Project Fund"). The proceeds deposited in the Project Fund shall be expended only for the purpose of paying expenses incurred in connection with the Project together with the expenses incidental thereto and on account of the issuance of the 2008 Notes. Any balance remaining in the Project Fund after the completion of the Project which is not required to meet unpaid obligations incurred in connection therewith and on account of the issuance of the 2008 Notes may be used to pay debt service on the 2008 Notes or otherwise used as permitted by law.

SECTION 9. Defeasance. If, when the 2008 Notes or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 2008 Notes or any portion thereof for redemption have been given, and the whole amount of the principal and the interest so due and payable upon such 2008 Notes or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment or redemption of 2008 Notes, then and in that case the 2008 Notes or such designated portion thereof shall no longer be deemed outstanding or secured by this Ordinance.

SECTION 10. Tax Covenants. In order to preserve the exclusion of interest on the 2008 Notes and as an inducement to purchasers of the 2008 Notes, the County represents, covenants and agrees that:

(a) The County will not take any action or fail to take any action with respect to the 2008 Notes that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2008 Notes pursuant to Section 103 of the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2008 Notes (the "Code"), including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on the 2008 Note proceeds or other monies treated as 2008 Note proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(b) The County will file an information report Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(c) The County will not make any investment or do any other act or thing during the period that any 2008 Note is outstanding hereunder which would cause any 2008 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of the 2008 Notes.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the 2008 Notes from gross income under federal income tax law (the "Tax Exemption") need not be complied with to the extent the County receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 11. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2008 Notes then outstanding shall have the right, from time to time, to consent to and approve the adoption by the County of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting: (a) An extension of the maturity of the principal of or interest on any 2008 Note, without the consent of the holder of each 2008 Note so affected; (b) a reduction in the principal amount of any 2008 Note or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each 2008 Note so affected; (c) a preference or priority of any 2008 Note over any other 2008 Note, without the consent of the holders of all 2008 Notes then outstanding; or (d) a reduction in the aggregate principal amount of the 2008 Notes required for consent to such supplemental ordinance, without the consent of the holders of all 2008 Notes then outstanding.

If the County shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the registration books held by the Registrar. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 2008 Notes. The Registrar shall not, however, be subject to any liability to any owners of the 2008 Notes by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the County shall receive any instrument or instruments purporting to be executed by the owners of the 2008 Notes of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 2008 Notes then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the County may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the 2008 Notes, whether or not such owners shall have consented thereto.

No owner of any 2008 Note shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the County or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the County and all owners of 2008 Notes then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the County and of the owners of the 2008 Notes, and the terms and provisions of the 2008 Notes and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the County and the consent of the owners of all the 2008 Notes then outstanding.

Without notice to or consent of the owners of the 2008 Notes, the County may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof), for the following purposes: (a) to cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance; (b) to grant to or confer upon the owners of the 2008 Notes any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 2008 Notes; (c) to provide for the refunding or advance refunding of the 2008 Notes; or (d) to make any other change which, in the determination of the Council in its sole discretion, is not to the prejudice of the owners of the 2008 Notes.

SECTION 12. Parity Obligations. The County reserves the right to authorize and issue additional notes, payable from the Revenues or otherwise pledge the Revenues to secure lease rental payments or other obligations, ranking on a parity with the 2008 Notes (such notes, lease rental payments or other obligations, "Parity Obligations"); provided, however, that any such pledge of the Revenues shall be junior and subordinate in all respects to the County's pledge of the Revenues to a portion of the lease rental payments under the 1995 Lease in the amount of Two Hundred Fourteen Thousand Dollars (\$214,000) per year. In the event any Parity Obligations are issued pursuant to this Section 12, the term "2008 Notes" in this Ordinance shall, unless the context otherwise requires, be deemed to refer to the 2008 Notes and such Parity Obligations and other changes may be made herein as required to reflect the issuance of such Parity Obligations. Subject to the prior satisfaction of all of the terms of this Section 12, applicable to Parity Obligations generally, the future issuance of additional Parity Obligations is hereby authorized upon the adoption by the Council of an ordinance or ordinances supplemental hereto, which Parity Obligations shall have the same terms and be subject to the same provisions as set forth herein, except as otherwise provided by such supplemental ordinance. The authorization and issuance of Parity Obligations shall be subject to the following conditions precedent:

(a) Any such Parity Obligations shall not cause the County to exceed its debt limitation under Article 13, Section 1, of the Indiana Constitution as of the date of issuance.

(b) All payments due with respect to the pledge of Revenues to a portion of the lease rental payments under the 1995 Lease, and interest and principal payments with respect to the 2008 Notes and any outstanding Parity Obligations shall have been paid in accordance with their terms.

(c) All required deposits into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance.

(d) Either: (1) the Revenues in the fiscal year immediately preceding the issuance of the additional Parity Obligations shall be not less than one hundred twenty-five percent (125%) of the combined maximum annual lease rental payment, interest and principal requirements of under the pledge of the Revenues to the lease rental payments under the 1995 Lease, the pledge of the Revenues to the then outstanding 2008 Notes, and either the pledge of the Revenues to the then outstanding Parity Obligations and the additional Parity Obligations proposed to be issued; or (2) the Revenues for the first full fiscal year immediately succeeding the issuance of any such additional Parity Obligations shall be projected by a certified public accountant to be at least equal to one hundred twenty-five percent (125%) of the combined maximum annual lease rental payment, interest and principal requirements of under the pledge of the Revenues to the lease rental payments under the 1995 Lease, the pledge of the Revenues to the then outstanding 2008 Notes, and either the pledge of the Revenues to the then outstanding Parity Obligations and the additional Parity Obligations proposed to be issued. For purposes of this subsection, the records of the County shall be analyzed and all showings prepared by a certified public accountant or independent financial advisor employed by the County for that purpose.

(e) The interest on the additional Parity Obligations shall be payable semiannually on June 15 and December 15 in the years in which interest is payable and the principal of the additional Parity Obligations shall be payable semiannually on June 15 and December 15 in the years in which principal is payable.

Except as otherwise provided in this Section, so long as any of the 2008 Notes are outstanding, no additional notes or other obligations secured by pledge of any portion of the Revenues shall be authorized, executed or issued by the County except such as shall be made subordinate and junior in all respects to the 2008 Notes, unless all of the 2008 Notes are redeemed and retired coincidentally with the delivery of such additional notes or other obligations, or as provided in Section 9 hereof, funds sufficient to effect such redemption are available and set aside for that purpose at the time of issuance of such additional notes or other obligations.

SECTION 13. No Conflict. All ordinances, resolutions, and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed. After the issuance of the 2008 Notes and so long as any of the 2008 Notes or interest thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the 2008 Notes, nor shall the County adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders.

SECTION 14. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of

such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 15. Holidays, Etc. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the county or the city in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 16. Ratification of Prior Actions; Authority to Effectuate this Ordinance. Any and all actions previously taken by any officer or employee of the County in connection with this Ordinance, including the publication of the Notice of Hearing on Additional Appropriation, are hereby approved, ratified and affirmed. The Board, the County Auditor and the County Treasurer are hereby authorized and directed to take any and all other actions on behalf of the County as may be necessary, appropriate or desirable to carry out the purposes of this Ordinance and the issuance and sale of the 2008 Notes in accordance with the Act and this Ordinance.

SECTION 17. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

Adopted this 4th day of September, 2008.

COUNTY COUNCIL OF
WARRICK COUNTY, INDIANA

Tim Masten

D. J. E. Cadden

David Hackmeister

Gerald Barr

Greg Baird

Ray McOyle

ATTEST:

Deirdra D. Burdett
County Auditor 1st Deputy